United Nations A/60/214

General Assembly

Distr.: General
10 August 2005

Original: English

Sixtieth session
Item 61 of the provisional agenda*
Towards global partnerships

Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector

Report of the Secretary-General**

Summary

In recent years, the United Nations has increasingly engaged in partnerships with non-State actors, including civil society and businesses. Today, partnerships are an integral part of the work of much of the United Nations system. A variety of engagement mechanisms have been developed; all approaches emphasize that such partnerships reflect the desire to more effectively implement the United Nations goals and commitments agreed upon by Member States, including the Millennium Development Goals. The United Nations values-based mission, convening power and geographical reach, provide the Organization with unique strengths when partnering with non-State actors. There are a number of concrete steps the United Nations system should take in order to build a more conducive environment for its partnerships with the private sector. These steps include increasing institutional capacity in country offices, promoting the training of staff at all levels, streamlining United Nations guidelines for partnerships, improving the coherence and practicality of the partner selection processes, building the foundation for smart selectivity through systematic impact assessment and fostering transparency through improved learning and best practice exchange. As United Nations organizations are scaling up promising new approaches and internalizing lessons learned, Government support remains critical.

* A/60/150.

** The lateness in the submission of the present report was due to additional technical and substantive consultations.

05-45706 (E) 020905

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I. Introduction

1. The present report is submitted in compliance with General Assembly resolution 58/129 of 19 December 2003, in which the Assembly requested the Secretary-General to submit a report at its sixtieth session on the implementation of the proposals of modalities for enhanced cooperation between the United Nations and all relevant partners, in particular the private sector.

2. Two previous reports of the Secretary-General that focused on enhanced cooperation between the United Nations and all relevant partners (A/56/323 and A/58/227). These reports provide an overview of the modalities of partnerships in the United Nations system, identifying recent accomplishments and challenges. The present report builds upon them.

3. In its resolution 58/129, the General Assembly highlighted the role that partnerships play in achieving internationally agreed development goals, including the Millennium Development Goals. The Assembly emphasized that the principles and approaches that govern partnerships should be built on the foundation of the Charter of the United Nations. In addition, the resolution invites the United Nations to continue a common and systematic approach to partnerships and to ensure that partnerships are consistent with national laws and national development strategies and plans.

4. There has been much progress on public-private partnerships in the course of the last decade. As documented in the present report and previous reports on the implementation of General Assembly resolutions 55/215 and 56/76, the United Nations is successfully beginning to reach out to business and civil society. The United Nations is engaging other stakeholders in its intergovernmental processes, offering the private sector opportunities to bring its valuable perspective to the table. In addition, almost all United Nations agencies, funds and programmes have launched a variety of collaborative projects in support of United Nations goals.

5. By involving business and civil society, the United Nations is able to direct crucial skills and resources towards its work. While almost all partnerships surveyed include participants from civil society, the present report focuses in particular on the relationship between the United Nations and business.[1] The role and contribution of business varies across partnerships. Rather than simply acting as a provider of financial resources, business brings its networks, experience and skills to partnerships with the United Nations. These contributions are of tremendous value, not just for individual partnerships, but for the United Nations as a whole, which stands to benefit from this transfer of knowledge and skills.

6. In recent years partnerships, taking into account national ownership and leadership of the development process, have allowed the United Nations to become

[1] This report draws on various sources: a survey with United Nations private sector focal points (focal points from 14 agencies, funds and programmes participated); more than 30 in-depth follow-up interviews with staff from the entire United Nations system; more than 40 in-depth interviews with partner organizations from business and civil society; more than 15 small case studies for the illustration of current partnership activities; and a review of the relevant academic literature on the subject. For a more detailed review of United Nations relations with civil society, see the report of the Panel of Eminent Persons on United Nations-Civil Society Relations entitled, "We the peoples: civil society, the United Nations and global governance" (A/58/817).

increasingly creative and sophisticated in its attempts to direct the skills and resources of business and civil society towards the goals of the Organization. Many innovative partnerships have been initiated across the United Nations system and progress has been made in a number of important areas. However, the challenge now is to learn from these experiences and to move from the current phase of experimentation towards a more systematic approach to partnerships that includes a greater focus on their impact and sustainability. In particular, a survey of existing partnerships identifies two crucial components of successful partnerships: strong partnership management (that promotes impact and accountability) and local ownership (to ensure that partnerships reflect the priorities of the targeted countries and beneficiaries).

7. In some cases, the United Nations has successfully applied strong management and local ownership to partnerships. Yet it is important that such best practices are captured and disseminated throughout the Organization. Mechanisms, tools and skills that facilitate strong partnership management and local ownership need to be institutionalized within the United Nations in order to foster a more systemic approach to partnerships. This presents a significant challenge to the United Nations due to resource and other constraints. It is clear that the United Nations cannot successfully address these challenges alone. Instead, the Organization should work in collaboration with its partners from business and civil society and with Governments and other intergovernmental organizations to harness effective partnerships that further the mission of the United Nations.

II. Partnerships between the United Nations and business: definition, categories and case studies

A. Definition: a framework for partnerships between the United Nations and business

8. Partnerships are defined as voluntary and collaborative relationships between various parties, both State and non-State, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks and responsibilities, resources and benefits. While this broad definition is suitable for providing a cursory overview of partnership practice, it is insufficient as a guide for United Nations action.

9. A more comprehensive characterization of partnerships with further explanation of their operational applicability is detailed in the Secretary-General's guidelines for cooperation between the United Nations and the business community (A/56/323, annex III). Building on this directive, many United Nations organizations have issued tailored guidelines in order to leverage partnerships for their missions. Jointly, the guidelines provide the overall framework within which the United Nations structures its partnership engagement.

B. Partnership categories and case studies

10. Building on previous work,[2] the present report makes a preliminary attempt at categorizing partnerships by function in order to better demonstrate the practical contributions partnerships can make to the work of the United Nations.[3]

11. Partnerships can be loosely grouped under the following four functions:

(a) Advocacy: taking into account national ownership and leadership of the development process, the United Nations partners with business and civil society in order to advance a cause or to place an issue on the global agenda. Such partnerships leverage the reputation and networks of the United Nations and key stakeholders to promote vital development issues, including the Millennium Development Goals;

(b) Developing norms and standards: the United Nations engages with stakeholders in order to develop common standards, norms, shared values and ethical behaviour that help facilitate market transactions and promote United Nations goals;[4]

(c) Sharing and coordinating resources and expertise: the United Nations partners with business in order to benefit from complementary resources and to coordinate contributions to key development issues, including humanitarian relief efforts. Especially important is the dissemination and sharing of existing know-how, knowledge and technology that often contributes to capacity-building;

(d) Harnessing markets for development: the United Nations partners with business to support the development and expansion of sustainable markets locally, regionally and globally. There are two types of partnerships: partnerships that provide access to markets (producer networks); and partnerships that bridge or deepen markets (providing incentives for business to invest).

12. The role and contribution of business varies across these initiatives: early hopes that partnerships would generate significant new funding streams for the United Nations have largely not been fulfilled. However, business brings other resources to the table, including its networks, experience and skills, all of which have tremendous value not only for the partnership itself, but in many cases also for the United Nations, which benefits from a transfer of knowledge and skills.

13. Business, together with civil society, can contribute to advocacy partnerships with the United Nations not only through financial support, but also through its expertise (e.g. in marketing) and its extensive contacts with consumers. Companies tend to become involved in advocacy partnerships for philanthropic reasons or as part of their core business operations. In addition to contributing to the implementation of the Millennium Development Goals, advocacy partnerships have helped to sensitize business to the overall mission and work of the United Nations.

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[2] *Building Partnerships: Cooperation between the United Nations system and the private sector* (United Nations publication, Sales No. E.02.I.12).

[3] This functional categorization serves as a purely heuristic device and is not meant to amend or override the partnership modalities set out in Guidelines on cooperation between the United Nations and the business community (A/56/323, annex III, para. 18).

[4] Zacher, Mark. "The United Nations and global commerce", United Nations Department of Public Information, Development and Human Rights Section, New York, 1999.

Box 1
Advocacy partnerships

Health in Your Hands. To more effectively promote handwashing with soap, public health experts from the World Bank and the United Nations Children's Fund (UNICEF) came together in the late 1990s to develop new approaches to health advocacy. They realized that in order to be effective, they would have to utilize the private sector's comparative advantage in marketing. In 2001, the Global Public-Private Partnership for Handwashing with Soap was launched. Building on detailed consumer studies, country-based programmes reach out to target audiences through mass media, direct consumer contact and Government channels of communication.

International Labour Organization-West Africa Cocoa and Commercial Agriculture Programme. To combat child labour in the cocoa growing industry, the International Labour Organization (ILO) launched the West Africa Cocoa and Commercial Agriculture Programme, which combines awareness-raising among families and communities with concrete action to shift children from work to school. It also helped establish a child labour monitoring system that produces accurate and credible reports on the use of such labour in West African cocoa production. The programme is supported by the cocoa and chocolate industry and by relevant countries including Cameroon, Côte d'Ivoire, Ghana, Guinea and Nigeria.

14. Various partnerships have emerged in recent years to develop standards or codes of conduct in order to fill global governance gaps. Such partnerships, also known as global public policy networks, are the most complex to manage because they usually require the involvement of a broad variety of stakeholders. These stakeholders usually represent diverse interests and such partnerships therefore constitute forums in which different perspectives are managed. These partnerships also raise concerns about accountability as they give non-State actors an active role in shaping public policymaking. Accordingly, such partnerships require a careful balancing of action and accountability, impact orientation and inclusiveness.

Box 2
Developing rules, norms and standards

Global Reporting Initiative. This initiative, convened by the Coalition for Environmentally Responsible Economies and the United Nations Environment Programme (UNEP), aims to elevate sustainability reporting (i.e. reporting on economic, social and environmental performance) to equivalency with financial reporting. Its core task is engaging in a multi-stakeholder process with non-governmental organizations (NGOs) and businesses to develop a set of universal corporate social responsibility reporting guidelines. The Global Reporting Initiative became independent in 2002, but continues to work closely with UNEP and the Global Compact.

Who Cares Wins. In 2004, 20 major financial institutions — with combined managed assets worth more than $6 trillion — produced the *Who Cares Wins* report. This project was carried out under the supervision of the Global Compact with the support of UNEP and the Conference Board. The initiative aims to develop guidelines and recommendations on how to better integrate environmental, social and corporate governance issues into asset management, securities brokerage services and associated research functions.

15. Partnerships between the United Nations and business that help to share knowledge and technology take advantage of technological innovation and the ability to foster information and best practice exchange. They exploit economies of scale in knowledge generation and dissemination and thereby help to build capacity in developing countries.

Box 3
Sharing and coordinating resources and expertise

Moving the World. The partnership between the World Food Programme (WFP) and an express delivery and logistics services firm aims to support the WFP fight against world hunger through knowledge transfer, on-the-ground logistical support and advocacy work. The company's in kind and financial commitments (more than $12 million in 2005) have generated 27 projects in some 60 countries, most recently in the tsunami-affected areas of South-East Asia. The company has offered its logistical expertise to improve the infrastructure of WFP, particularly storage facilities, to provide direct support in emergency operations and to help bring WFP air operations up to United States Federal Aviation Administration standards.

Stop TB. Stop TB is one of the flagship global health partnerships housed by the World Health Organization (WHO). Launched in 2000, the initiative is designed to expand, adapt and improve strategies to control and ultimately eliminate tuberculosis worldwide. A clear vision, measurable targets and a governance structure placing a strong emphasis on transparency and inclusiveness have helped to forge an effective coalition that has raised awareness and contributed to resources to the fight against tuberculosis.

United Nations Industrial Development Organization automotive industry partnerships. In 1999, the United Nations Industrial Development Organization (UNIDO) launched a partnership with an Italian auto company in order to strengthen small and medium-sized Indian automotive component manufacturers through quality management and technology upgrading. Within two years, the participating small component suppliers (120 of them by 2005) reported a range of measurable improvements including an increase in turnover, productivity, safer production methods and, most importantly, receptivity to continuous improvement. Since 2003, this programme has been implemented with similar success in Nigeria and South Africa.

Eni-UNICEF Project for the Prevention of Mother to Child Transmission of HIV. This partnership, financed by an Italian oil company and carried out by UNICEF, was developed to provide services for the prevention of mother-to-child transmission of HIV in the Rivers and Bayelsa states of Nigeria, which were particularly impacted by the HIV/AIDS pandemic. The initiative's overall objective is to increase the provision of voluntary confidential counselling and testing services as well as other "Preventing Mother to Child Transmission" services in 100 local government areas. The aim is to reach at least 20 per cent of women visiting prenatal clinics in four selected health centres. The project focuses on women between the ages of 15 and 49 and includes their partners and families. It targets approximately 15,000 women and 300,000 people in the surrounding communities. Major achievements include the mapping of 200 communities, the supplying of equipment to 4 project health sites, the training of 120 health practitioners and community mobilization.

"First on the ground" initiative. In order to facilitate the provision of mobile GSM networks — a standard for mobile phones that allows cost-effective, international roaming — to a number of United Nations humanitarian agencies, the Office for the Coordination of Humanitarian Affairs cooperates closely with a Swedish telecommunications firm. The partnership was formally launched with an agreement to accept the donation of a "switch" to be located at the United Nations Logistics Base at Brindisi, Italy, in 2001. This switch facilitates the standby capacity needed to provide mobile GSM networks to disaster areas. The company also set up a technical reference group as a permanent branch of the response programme that comprises employees who have the relevant technical expertise to assist United Nations and other relief organizations in identifying needs and developing technical proposals and applications for more efficient disaster response.

Partnerships for disaster relief: the tsunami experience. The December 2004 tsunami in South Asia resulted in a massive and unprecedented outpouring of help from business. Cash donations have exceeded $300 million to date. Many of the companies currently or formerly engaged in partnerships with the United Nations offered assistance for the region. The existing channels of communication ensured that their contributions were particularly quick and effective. For example, one company offered an additional $2.9 million of in kind support to its ongoing partnership with WFP. This contribution enabled trucks and helicopters to supply the population of Banda Aceh, Indonesia, with food and other relief supplies. Another company provided pro bono services to assist the United Nations in providing the massive outpouring of help as efficiently as possible to the affected areas. Many companies with no previous United Nations partnership experience also enquired about assisting with tsunami relief activities. One of the challenges has been to match company donations, particularly in kind contributions, with the appropriate United Nations bodies. An effort to address this issue is the inter-agency website entitled "Business contributions to United Nations emergency relief efforts: an orientation guide", which was launched by the Office for the Coordination of Humanitarian Affairs and the Global Compact. The guide is designed to help

businesses identify effective ways to support ongoing and future United Nations relief efforts. The Corporate Partnerships in Emergencies (COPE) Programme of the United Nations Development Programme (UNDP) also facilitates the matching of private sector donations and expertise with UNDP humanitarian relief work throughout the world. The tsunami disaster illustrates that significant existing partnerships and channels of communication are critical to ensuring rapid and effective joint United Nations — private sector action in emergency relief operations. At the same time, the crisis also raised awareness in the business community of the scale and scope of the work of the United Nations, as well as its organizational limits.

16. The successful implementation of the Millennium Development Goals is impeded by the non-existence of markets in many developing areas and the fact that when markets do exist, they often do not produce socially desirable results. Many partnerships between the United Nations and business try to address these challenges, either by providing access to markets or by deepening them.

Box 4
Harnessing markets for development

Shea Butter Production in Burkina Faso. This initiative brings together the United Nations Development Fund for Women (UNIFEM), a French cosmetics firm and local producer cooperatives with the aim of supporting female shea butter producers in rural Burkina Faso. In the 1990s, the Government of Burkina Faso sought to diversify its economy and improve the economic livelihoods of rural women by developing the shea butter industry, a traditional women's sector in Burkina Faso. UNIFEM became involved in the project in 1997, identifying the need to improve women's access to the means of production and export markets. The partnership seeks to address these issues by providing producer training in process and storage techniques, sales, marketing and negotiations. Moreover, the company commits itself to buying shea butter directly from local cooperatives (90,000 tons in 2002), paying in advance to augment the financial security of producers.

Slum Upgrading Facility. The Slum Upgrading Facility is a new global facility located within the United Nations Human Settlements Programme (UN-Habitat). The Facility is designed to lead and coordinate technical cooperation and seed capital initiatives. It was established to develop bankable projects that promote affordable housing for low-income households, the upgrading of slums and the provision of urban infrastructure in cities of the developing world. The Facility's clients are located in the private sector and include retail banks, property developers, housing finance institutions, service providers, microfinance institutions and utility companies. Other partners include municipal authorities, NGOs and departments of central and local governments. A central objective of the Facility is to mobilize domestic capital for

upgrading slums by facilitating links among local actors and packaging the financial, technical and political elements of development projects.

Sleeping sickness. In order to eliminate African trypanosomiasis, also known as sleeping sickness, WHO joined forces with a pharmaceutical company in 2001. Sleeping sickness, a fatal neurological disorder occurring only in remote areas of rural Africa, was neglected by the international community and industry for decades and is on the increase again. With more than 500,000 people infected, 60 million people in over 36 countries are at risk of contracting the disease. The company agreed to a five-year contribution plan worth $25 million which operates on three levels: drug donation, programme support (cash and in kind) and investment in research and development. In 2004, the partnership responded to an appeal from the local community regarding an impending disaster in southern Sudan and took only six months to rehabilitate health capacities there. Discussions are under way to extend the partnership beyond 2006. It is likely that a new agreement will be signed.

III. Recent organizational trends: challenges and opportunities

17. In the past decade, the United Nations has fostered a period of experimentation and transformation. Partnerships with business and civil society have been one of the Organization's major innovations; much has been accomplished. Now, the challenge is for the United Nations to move towards a more systemic approach to partnerships that places a greater emphasis on impact and sustainability.

18. Adopting a more systemic approach to partnerships within the United Nations system extends beyond simply continuing successful partnerships. It involves adopting best practices and changes in institutional structures, policies and processes. Partnership issues should be addressed at all stages of the work of the United Nations in which they are relevant and feasible. Further, the United Nations should work to integrate the resulting expanded partnership function into the management of the Organization.

19. The United Nations has launched numerous initiatives in recent years, many of which have the potential to create a more favourable and enabling environment for engaging business and civil society. Some directly contribute to facilitating both cultural and institutional change to turn the United Nations into a more effective partnership organization. These initiatives emphasize how parts of the United Nations have engaged the business community and civil society in their ongoing work. This report provides a selective presentation of trends and is not intended to capture the complete range of activities under way.

20. The United Nations continues to engage and draw upon the expertise of the business sector in various United Nations intergovernmental processes, offering the private sector opportunities to have its voice heard. In addition, partnerships can play an important role in supporting the implementation of objectives and mandates stemming from intergovernmental deliberations.

21. The United Nations is actively engaging business in the follow-up process to the International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002. In response to General Assembly resolution 58/230, the Financing for Development Office has initiated a series of multi-stakeholder consultations on development finance issues. Findings were presented at the High-level Dialogue on Financing for Development on 27 and 28 June 2005. Partners from business and civil society have been responsible for managing some of these consultations, focusing on: how partnerships can improve the reach and effectiveness of development assistance, enhance the climate for private investment and help to build inclusive financial systems. The business sector has also been involved in another set of multi-stakeholder consultations managed by the Financing for Development Office, which focus on the impact of sovereign debt on development. As part of this consultation, a business advisory committee on debt, consisting of leading investors and bankers, was formed by the Office to provide expertise on the issue.

22. Partnerships also continue to transform the work of the Commission on Sustainable Development. Partnerships for sustainable development were an important outcome of the World Summit on Sustainable Development held in Johannesburg, South Africa, in 2002. Since the Summit, 308 partnerships are now profiled in an interactive online database, which contains information on these initiatives based on voluntary self-reports. The purpose of the partnerships database is to facilitate experience and knowledge-sharing on the implementation of sustainable development through partnerships and to assist individual partnership initiatives in their efforts to attract new partners and donors. In 2004, in preparation for the twelfth session of the Commission, the secretariat of the Commission produced the first report of the Secretary-General on partnerships for sustainable development. The report identified emerging trends within Commission-registered partnerships using parameters that included geographical scope, thematic focus, resources and implementation mechanisms. In addition, at the twelfth session of the Commission, a partnerships fair was incorporated into the official programme to provide a venue for sharing lessons learned, showcasing progress made, launching new partnerships and networking among existing and potential partners. The partnerships fair of the thirteenth session of the Commission in 2005 focused on water, sanitation, human settlements and cross-cutting practical issues relevant to all partnerships. It also included a discussion on the role of the private sector in partnerships for sustainable development.

23. In 2004, the Economic and Social Commission for Asia and the Pacific established two new initiatives for increasing cooperation with the private sector. The Business Advisory Council of the Commission advises the Commission on promoting cooperation between the private sector and the United Nations in the region, while the Asia-Pacific Business Forum provides a platform for dialogue among business, Governments and civil society on regional social and economic policy issues and their implications. The 2005 Forum focused on how the public and private sectors can work together to improve the climate for doing business and promote corporate social responsibility.

24. The Information and Communication Technologies Task Force is an example of a partnership stemming from an intergovernmental process. The Task Force was created by the Secretary-General in 2001 to advise the United Nations on information and communication technologies for development issues. It is an

intergovernmental body in which non-governmental members, representing business and NGOs, have the same decision-making power as those representing Governments. The Task Force is widely regarded as a highly effective multi-stakeholder forum offering an effective space to share ideas and concerns and develop collaborative projects. From its inception, the Task Force has worked to develop relationships with major global initiatives, multilateral institutions and regional organizations and has forged a number of strategic partnerships. Originally scheduled to last three years, the Task Force was extended through 2005.

25. In addition, various United Nations organizations have taken first steps in building institutional structures and capabilities that help facilitate partnership engagement. UNICEF was one of the first United Nations entities to build partnerships. Today, UNICEF features a partnership portfolio that offers potential partners a wide range of opportunities for working with the organization, including innovative partnerships, strategic philanthropic initiatives, global, regional and local cause-marketing initiatives and employee-driven programmes. The organization's partnership work is guided by a corporate alliances team that coordinates outreach to partners. In 2003, UNICEF maintained partnerships with more than 180 companies, which each contributed more than $100,000 (cash or in kind) to partnership projects.

26. UNDP has taken steps in recent years to create the necessary institutional structures, policies and additional capacity at the country and regional office levels to develop and manage partnerships with non-State actors. UNDP maintains a broad and continuously growing portfolio of partnership projects in all core areas of its work. As in other United Nations organizations, the work UNDP conducts with business is structured to complement the Secretary-General's guidelines on cooperation between the United Nations and the business community (A/56/323, annex III) and is driven by a policy statement that provides further practical guidance for partnership work. The organization's partnership work is coordinated by the UNDP Division for Business Partnerships.

27. The past year saw concrete follow-up to "Unleashing entrepreneurship: Making Business Work for the Poor", a report prepared under the auspices of UNDP in 2004 on behalf of the Commission on the Private Sector and Development. The report was officially launched in over 30 countries, engaging heads of State, key policymakers, local governments and private sector players both foreign and domestic. These launch events were complemented by a series of workshops and new project developments including concrete initiatives undertaken by the United Nations system embodying the recommendations of this report.

28. The partnership work undertaken by UNDP is increasingly being decentralized into country and regional offices and through the implementation of programmes such as the Growing Sustainable Business initiative. Initiated by the Global Compact in 2002 and implemented by UNDP, this programme facilitates business-led enterprise solutions to poverty reduction. It has amassed a portfolio of over 15 leading global businesses and is expanding in Africa, Asia and Latin America. The programme was cited by the recent World Economic Forum, the New Partnership for Africa's Development and Africa Commission reports as a groundbreaking contribution to the business and development landscape, and its continued growth and engagement in developing new business models and technologies will contribute to advancing the Millennium Development Goals.

29. UNIDO has also begun to integrate partnerships with business and other stakeholders into its main lines of work. Through the UNIDO Business Partnership Programme, partnerships are designed to nurture small and medium-sized enterprises in developing countries. In particular, the programme focuses on enhancing the quality, efficiency and international competitiveness of small and medium-sized enterprises. It also aims to promote technological and managerial learning, increased domestic resource use in production and increased productive employment and incomes. By promoting sustainable industrial development, UNIDO partnership activities are closely aligned with the overall goals of the Organization. Accordingly, the UNIDO Business Partnership Programme is integrated into the Organization's overall corporate strategic plan, linking UNIDO partnership activities with the main services offered by the organization. UNIDO has developed a partnership guide that provides detailed background for its staff and prospective and current partners, on how partnerships are developed, what purposes they serve and what principles they should follow. UNIDO partnership work is coordinated by a small staff located at its headquarters.

30. Other United Nations bodies, such as the United Nations Conference on Trade and Development and UNEP, have made similar attempts to foster the skills, policies, mechanisms and tools necessary for transforming their organizations into effective partnership players. Also noteworthy are the experiences of UN-Habitat with the Environmental Systems Research Institute.

31. However, in addition to the progress that has been made, United Nations organizations are confronted with a number of challenges in the process of mainstreaming partnerships into their work. While some United Nations organizations have created partnership units of dedicated staff working with great commitment on projects, there are few cases where such work is integrated into mainstream operations. Some United Nations staff responsible for building partnerships find that many of their colleagues lack incentives to become involved in partnership work.

32. Another specific dimension of mainstreaming partnerships within the United Nations relates to the legal issues that govern such relationships. Almost all United Nations bodies have introduced guidelines for their engagement with business, complementing the overarching guidelines on cooperation between the United Nations and the business community (A/56/323, annex III). While these guidelines have contributed to legal and operational clarity on partnership activities, some United Nations funds and programmes note that confusion remains with regard to their consistent application. The most frequent criticism raised in this context is that legal hurdles contribute to time lags in the implementation of partnerships. Partnerships also can raise involved legal questions for the United Nations, including usage of the Organization's logo and emblem and issues of liability and indemnity.

33. Determining which businesses are suitable partners for the United Nations is an important issue. On this matter, principles that apply to the entire United Nations system are outlined in the guidelines on cooperation between the United Nations and the business community (A/56/323, annex III). However, the application of these selection criteria varies across the Organization. Some United Nations bodies use third-party certifiers, others engage in autonomous case-by-case screenings. Overall, there is a need for greater consistency and more transparency in the

selection processes. As the Global Compact initiative and participant base grow, membership in the Global Compact could serve as a useful indicator of a company's commitment to United Nations values.

34. Another aspect in mainstreaming partnerships within the United Nations is the provision of more systematic partnership training to enable staff to work more effectively with business. Needed improvements to staff education and skills transfer on the subject of partnerships were recognized by the General Assembly in its resolution 58/129. However, to date, much of this work has been of a pilot nature and its scaling-up requires additional resources.

35. Since 1998, the United Nations System Staff College has developed and implemented various partnership training initiatives that have built the capacity of United Nations staff to engage in partnerships with business and civil society, particularly at the country level. In addition, the UNDP Learning Resources Centre, in collaboration with the United Nations Development Group Office and the Staff College facilitate a resident coordinator/resident representative induction workshop with a session focused on strategic partnerships. The aim of this session is to enhance awareness on key issues relating to partnerships with the private sector and civil society. Furthermore, various UNDP regional bureaux have taken steps to provide partnership training to staff, with the aim of strengthening the strategic approach of country offices to partnerships with business.

36. Despite progress, greater efforts should be made to further promote partnerships at the country level. The United Nations should more fully mobilize system-wide catalysts, such as the United Nations System Chief Executives Board for Coordination and the Staff College's United Nations Learning Community of senior human resources managers, and should mainstream partnership capacity-building into well-established and resourced programmes, such as the resident coordinator system. Another entry point is the United Nations Development Group (UNDG) and the Development Group Office, which encourage United Nations partners to work through the UNDG Programme Group to develop training modules on substantive subject matter (such as partnering with the private sector) to be made available through the UNDG website for supplemental training for country teams.

37. In recent years, the office of the Global Compact has facilitated system-wide learning on partnerships. Various United Nations system private sector focal point meetings have been held since the late 1990s. The most recent meeting took place in May 2005, bringing together more than 80 participants. However, the large majority of United Nations private sector focal points identified a need for further knowledge exchange on partnerships.

38. Another impediment to more effective partnerships is a lack of understanding of corporate culture within the United Nations. In order to develop such knowledge, some United Nations organizations, such as UNDP, feature active staff exchange programmes on a project-specific basis. Such programmes have proven to be beneficial for enhancing the skills of individual staff members and bringing business expertise to the United Nations.

39. In many cases, the Global Compact has played a critical role in facilitating these processes, particularly by reaching out to business, advocating business engagement within the United Nations and facilitating the internalization of Global Compact principles within the United Nations itself. The Global Compact continues

to be a magnet for businesses eager to support the goals of the United Nations, including the Millennium Development Goals. As of July 2005, more than 2,000 companies and other stakeholders were participating in the Secretary-General's voluntary initiative advancing responsible corporate citizenship. It is particularly important to note the strong and growing participation of companies from developing economies, including Brazil, China, Egypt, India and South Africa. The Global Compact asks participants to embrace, support and enact, within their sphere of influence, a set of core values in the form of 10 principles — in the areas of human rights, labour standards, the environment and anti-corruption. The Global Compact seeks to integrate these principles into business activities through a range of activities and engagement mechanisms, including dialogue, learning, outreach and projects. Now, with over 40 local Global Compact networks, the initiative demonstrates healthy and sustainable growth. The increasingly important role of local networks is also driving much of the reform of the initiative's governance structures, which will be implemented in the second half of 2005.

40. In addition to engaging the business community, the office of the Global Compact has served as an information provider for institutional reform within the United Nations. As a result, the United Nations is in the process of internalizing the Global Compact's 10 principles in 4 key areas: procurement practices, pension fund policies, facilities management and human resource management. The office of the Global Compact has undertaken numerous awareness-raising activities and has been supporting the efforts of the Procurement Service to develop a draft United Nations supplier code of conduct. Progress is under way, but additional efforts are necessary.

41. Founded in 1998, the United Nations Fund for International Partnerships (UNFIP) serves as the operational arm in the partnership between the United Nations system and the United Nations Foundation (UNF) — the public charity responsible for administering Ted Turner's historic gift of $1 billion in support of United Nations causes. The UNF-UNFIP partnership has committed $637 million for 324 projects implemented by United Nations organizations in 122 countries. The majority of these projects respond to four priority areas: women and population; environment (including climate change and biodiversity); children's health; and peace, security and human rights. UNFIP and UNF also support numerous partnerships profiled in the present report, such as the Global Reporting Initiative. This project funding has spurred a multiplier effect that has enabled UNFIP and UNF to attract and facilitate new partnerships and alliances between the United Nations system and a variety of private sector sources in support of the Millennium Development Goals. UNFIP also provides suggestions on strategic ways for corporations and foundations to support the Millennium Development Goals and to mobilize additional resources for the United Nations system.

42. Various United Nations organizations also participate in multi-stakeholder initiatives designed to strengthen local ownership of partnerships. These "partnerships of partnerships" build partnering capacity, primarily at the country level, and provide incentives for United Nations staff to forge partnerships. For example, the UNDP-led Equator Initiative is a partnership that brings together 10 organizations, including Governments, NGOs, research institutions and local community networks, to foster partnership-building at the local, national and global levels. This mandate has been advanced through the Equator Prize, an international award recognizing outstanding community efforts to reduce poverty and conserve biodiversity. The Seed Initiative, a project supported by UNDP and UNEP, likewise

seeks to foster locally driven, locally owned partnerships. An awards scheme, capacity-building activities and a research programme aim to identify and support nascent, entrepreneurial partnerships and to disseminate best practices. These and other initiatives have the potential to strengthen local ownership in partnerships, particularly by drawing in local business and civil society.

43. Some United Nations bodies have taken first steps to develop systematic and transparent partnership impact assessments. For example, the Food and Agriculture Organization of the United Nations (FAO) has recently completed a comprehensive review of its partnership work, evaluating the impact and clarifying the role and contribution of FAO to these initiatives.

IV. Partnership management challenges

44. United Nations organizations have taken steps to build capacities that facilitate partnership engagement. However, two partnership management challenges are particularly critical: the importance of local ownership and the strong management of partnerships. These challenges are not solely the responsibility of the United Nations; business and civil society also must do their part to contribute to overcoming these obstacles.

A. The importance of local ownership

45. The degree of local ownership in partnerships depends on two factors: the extent to which beneficiaries have an influence on the conception, design, implementation and independent evaluation of partnership programmes; and the extent to which partnership projects are implemented through actors rooted in recipient countries. When partnerships are not "owned" by local stakeholders, they may lack the on-the-ground commitment that is needed to facilitate effective implementation. Causes for poor local ownership vary among projects: beneficiaries may not identify with or accept a partnership programme; local United Nations offices may lack incentives and capabilities to work for a partnership mandated from Geneva or New York; and business engagement may not be sustainable if not tied to core business interests on the ground.

46. As the case studies in this report demonstrate, some partnerships successfully promote local ownership, for example, by making provisions for including the perspectives of local business, local governments and local civil society. As a result, these partnership programmes become embedded in the countries within which they are implemented, enabling a sustainable impact. There is considerable room for improvement in fostering local ownership in partnership initiatives. In particular, companies from developing countries should be engaged more systematically. Various partnerships (such as the UNIDO Automotive Industry Partnerships) have demonstrated the potential of partnerships when small and medium-sized companies from developing countries are engaged. Such companies are familiar with the development challenges and often demonstrate entrepreneurial and innovative skills to tackle poverty-related problems head-on.

B. The strong management of partnerships

47. The impact and sustainability of partnership projects also depends on the strength of management systems. In particular, successful partnerships are characterized by: clear goals and objectives that are effectively communicated; clarity on the roles and responsibilities of the various partners; good day-to-day management; adequate risk management strategies; and the presence of governing bodies that are capable of overseeing the partnership and providing strategic direction. Additionally, monitoring mechanisms have allowed some partnerships to institute early warning mechanisms that detect shortcomings.

48. Another crucial aspect of successful partnership management is the existence of impact assessment mechanisms. Such mechanisms not only enable the effective management of a partnership, but also ensure accountability and facilitate effective learning from both successes and failures. For the United Nations, such impact assessment is critical to help the Organization establish a selectivity system that combines functional and performance-based (impact-oriented) criteria. Such "smart selectivity" will also facilitate the systematic scaling up of successful solutions and the scaling down of others. Some partnerships (for example, the Stop TB partnership and the Global Reporting Initiative) feature built-in impact assessment mechanisms, which contribute greatly to focusing the partnership and increasing the transparency and accountability of the initiatives to external stakeholders.

49. While many partnerships have experimented with management and impact assessment mechanisms, there is room for improvement and for more effective learning across the United Nations system regarding what works and what does not. Currently, there is no system in place that would allow for a systematic impact assessment of partnerships. Given the diversity of partnership initiatives, common criteria are unlikely to emerge. At the very least, all partnerships should establish clear benchmarks and time-bound targets against which they can be evaluated. Furthermore, while some partnerships feature strong management systems, these experiences are not adequately captured and integrated into the operating structures and processes of the various partners, including the United Nations. As a result, some partnership activities remain largely ad hoc ventures.

V. Recommendations

50. Specific actions are required in order to scale up successful experiments and allow cooperative engagements with non-State actors to be a stronger force for institutional change. Given the diversity of partnership approaches, there are no one-size-fits-all solutions to these challenges. Each United Nations fund, agency and programme needs to develop its own approach to utilize the potential of partnerships. Still, there are a number of concrete steps the United Nations system should take to build the necessary conducive cultural and institutional environment for its partnerships with the private sector. All of these steps require adequate resources at Headquarters and in country offices.

A. Build institutional capacity in United Nations country offices

51. There is an unrealized potential to engage the business community in developing countries. The private sector in developing countries can make a critical contribution to addressing poverty challenges, given that they hold the key to fostering local ownership in partnerships. In some cases, country offices lack the time and other resources to effectively engage local business. In other cases, staff may lack the skills or the support from senior management. Adequate resources should be made available to facilitate additional capacity-building in country offices.

B. Promote training of United Nations staff at all levels

52. Providing staff with continual training in the area of partnerships is necessary in order to make a contribution to stronger partnership management. Training should not just focus on "soft skills", such as stakeholder engagement and partnership brokering. It is equally important to provide staff with "hard skills", including tools to manage both risks and legal processes and to measure impact.

53. Training is particularly important at the country level. The valuable work of the United Nations Systems Staff College and the UNDP Learning Resources Centre should be continued and expanded. The recently created UNSSC Partnerships and the Global Compact programme has the potential to serve some of these training needs and deserves additional resources to achieve greater scale and reach. In addition, staff should be enabled to take continuing education programmes outside the United Nations and to participate in training opportunities with the private sector.

C. Streamline guidelines for partnerships

54. The complexity of legal processes within the United Nations has been highlighted as one impediment to establishing partnerships. While it is recognized that such proceedings are critical for protecting the United Nations brand, reputation and credibility, they should not be so time-consuming as to stifle the establishment of partnerships. A task force consisting of United Nations legal department personnel, United Nations system private sector focal points and external stakeholders (from business and civil society) should be created to explore methods for simplifying legal requirements for partnerships. Streamlining this revised process across agencies will be critical to speeding up the partnership-creation process. Further, existing institutional incentive structures for staff members that emphasize avoiding risks and safeguarding the status quo need to be adapted to better support partnerships.

D. Improve clarity and practicality of partner selection processes

55. Various United Nations organizations have instituted detailed due diligence processes for potential partners, sometimes using third-party service providers, in order to comply with both the guidelines issued by the Secretary-General and their organization's own internal regulations. Smaller United Nations organizations find it

difficult to implement such mechanisms, usually due to a lack of resources. This problem will be exacerbated once country offices become more active drivers of new partnerships. Possibilities for cost-effective, system-wide approaches should be explored in order to facilitate a consistent and transparent application of selection criteria. Such criteria could encourage potential partners to demonstrate their commitment to responsible business practices through participation in the Global Compact and adherence to its principles.

E. Build the foundation for smart selectivity through systematic impact assessment

56. As previously noted in this report, the development of appropriate impact assessment mechanisms for partnerships will help the United Nations establish a selectivity system that combines functional and performance-based criteria. "Smart selectivity" will facilitate systematic scaling up and scaling down of partnerships. The absence of such mechanisms has the potential to undermine the accountability of partnerships.

57. Impact assessment helps to strengthen partnerships. Greater efforts should be made to collect tools and best practices for partnership impact assessment. Some United Nations organizations already have experience in assessing the impact of partnerships, and the results and techniques employed, should be widely shared throughout the United Nations system.

58. Impact assessment is the first crucial step to clarifying the contribution of partnerships to the work of the United Nations. However, individual impact assessments and evaluation studies will not be sufficient to detect larger patterns and trends. Current research on partnerships suffers from a lack of comparable case studies and other data. Resources should be made available to facilitate such applied research work in order to improve the systematic understanding of where, when and under what circumstances partnerships are likely to deliver.

F. Enhance coherence in the United Nations and foster transparency through improved learning and best practice exchange

59. There are various low-cost solutions that can help the United Nations organizations share relevant experiences and provide business with an easily accessible window into their world. First, the office of the Global Compact should ensure that regular meetings of United Nations system private sector focal points are convened to facilitate networking and exchange of ideas and best practices. Second, the existing pages of the United Nations website that focus on the work of the United Nations with the private sector need to be used more effectively.

60. Partnerships with the private sector can contribute to the mission of the United Nations and the implementation of the Millennium Development Goals. In order to leverage the potential of partnerships, the United Nations is confronted with a challenging agenda. Governments should embrace this reform, since it will help make the United Nations a more outward-looking, impact-oriented organization. To facilitate this transformation of the United Nations into a more effective partnership player, the Organization needs to be equipped with adequate resources.

VI. Conclusion

61. Taking into account national ownership and leadership of the development process, one vital component of the United Nations ongoing transformative process has been the progressive opening of the Organization to non-State actors, including civil society and business. A variety of engagement mechanisms have developed, ranging from global advocacy, learning and action networks that are based on universal principles, to individual projects on the ground. Common to all approaches is that such partnerships reflect the desire to more effectively implement United Nations goals and commitments agreed by Member States, such as those embodied in the Millennium Development Goals.

62. The challenge now is to learn from experiences and to find ways and means to more fully utilize the opportunities that partnerships afford. United Nations goals, especially the Millennium Development Goals, can only be achieved if all social actors cooperate and continue to learn to draw on each group's strengths and resources. Partnerships have an increasingly important role to play as a complementary approach to the conventional instruments of international cooperation, including development cooperation.

63. Partnerships also help to facilitate organizational change linked to the overall efficacy of the United Nations and its reform. Partnerships open the Organization to different, and often more efficient, ways of organizing actions and, therefore, have become a catalyst for reform and institutional innovation throughout the United Nations system. To the extent that meaningful linkages are put in place between successful partnerships and the traditional structures of the Organization, partnerships can stimulate the diffusion of improved management practices, efficiency enhancing performance-based thinking and new methods of utilizing the strengths of the United Nations. The success or failure of partnerships is largely defined by their resulting impacts and such focus can lead to higher levels of United Nations performance.

64. There are a number of concrete steps the United Nations system should take in order to build a more conducive environment for its partnerships with the private sector. These steps include increasing institutional capacity in country offices; promoting the training of staff at all levels; streamlining United Nations guidelines for partnerships; improving the coherence and practicality of the partner selection processes; building the foundation for smart selectivity through systematic impact assessment; and fostering transparency through improved learning and best practice exchange.

65. The United Nations values-based mission, convening power and geographical reach provide the Organization with unique strengths when partnering with non-State actors. These institutional strengths have proven to be important explanations for why business enters into partnerships with the United Nations. Furthermore, there is evidence confirming that once business accepts the United Nations value proposition and aligns its practices with universal principles, a company's propensity to engage in operational initiatives increases significantly. United Nations principles can thus form a robust basis for long-term relationships and an ongoing engagement with business. The United Nations value proposition provides a profound incentive for its partners and should be further utilized.

66. Governments play a crucial role in the emerging partnership agenda. They define the overall frameworks for development, especially the legal frameworks, as well as the goals and objectives that United Nations organizations seek to advance through their practical reach. Given the established importance of engaging non-State actors to help achieve economic and social agendas, it is clear that partnerships serve as a vehicle for meeting Government goals and objectives. Governments provide critical support for these approaches through oversight efforts, progress reviews and resource support, without which voluntary initiatives cannot develop and strengthen. As United Nations organizations are scaling up promising new approaches and internalizing lessons learned, Government support remains critical.